

T>> Since passage of the Telecommunications Act of 1996 and the

- > "deregulation" of cable
- > television, consumers have seen their rates jump an average of 59
- > percent -- with
- > some areas experiencing even more dramatic increases. The cost of
- > cable modem
- > service remains out of reach for many households, holding constant for
- > years and
- > selectively underserving rural and low-income Americans. The American
- > people are
- > watching the digital divide widen even as the need for access to
- > high-speed networks
- > increases.
- >
- > The FCC, through this Notice of Proposed Rulemaking, recognizes that
- > new video
- > competition is entering the market, as phone companies (like AT&T and
- > Verizon) begin
- > to roll out television service. The Commission asks if the telephone
- > companies are
- > slowed or blocked in their expansion by the process of negotiating
- > franchises -- the
- > agreements that companies seeking to provide video services sign with
- > local
- > governments that set the terms for building cable television systems.
- >
- > Does the franchising process need reform? Perhaps. However, the most
- > important
- > issue is not how to ensure the process is changed to suit the
- > interests of telephone
- > companies. Instead, the most important issue is how to ensure that the
- > rights and
- > services of local communities are protected and enriched. We should
- > start with these
- > desired outcomes and work backward to see if the process to deliver
- > them can be
- > improved. Local governments undoubtedly will -- and must -- play a key
- > role in any
- > future franchising process.

- >
- > Though the franchising process has not been perfect, it has been a
- > critical safeguard to
- > protect the interests of consumers and citizens in our local
- > communities. Now that the
- > phone companies are building television systems, local communities are
- > hungry for
- > new competition that could drive down costs, increase options, provide
- > access to local
- > content and bring us closer to bridging the digital divide.
- >
- > These franchise agreements guarantee that local governments control
- > rights-of-way
- > and obtain fair rents from the companies that dig them up to lay
- > cable. They
- > guarantee universal build-out of the technology and its advantages to
- > every household
- > in the community, not just affluent neighborhoods. They guarantee
- > funding and
- > facilities to provide public access television as well as other
- > services like low-cost
- > broadband for our schools and libraries.
- >
- > As new franchising rules are considered, a number of market realities
- > must be taken
- > into account. There is a distinct lack of independent programming,
- > particularly local
- > independent programming, on cable systems. This is largely the result
- > of vertical and
- > horizontal consolidation among the largest media companies and cable
- > providers. We
- > are required to buy channels we don't want or need because the cable
- > operators
- > bundle them together. The quality of customer service often reflects
- > the fact that
- > cable television is not a competitive market. The mere presence of
- > satellite providers
- > does not drive down rates nor present an affordable alternative for
- > broadband access.

- >
- > In many communities, the only truly independent sources of local news,
- > information
- > and culture come from the public channels produced at community media
- > centers.
- > They are the only way many citizens see local government in action and
- > often the only
- > way residents get information about events happening close to home.
- > Some towns
- > have been able to negotiate for funding to enhance and expand these
- > resources.
- > Others have obtained wired schools and libraries, resources for
- > e-medicine,
- > government efficiency programs and other educational initiatives. All
- > use their
- > negotiating power to ensure the entire community is served.
- >
- > The risk of supplying "one size fits all" franchises to new providers
- > is the elimination
- > of these and other valuable services that fulfill important public
- > policy aims. There is
- > surely a need for new providers of broadband and video content to
- > enter existing
- > markets, be they private or public.
- >
- > However, no matter the level at which 'franchises' to new providers
- > are granted --
- > local, state, or national -- local communities cannot be cut out of
- > the process. They
- > must be allowed to lend their voice to how new video and broadband
- > systems will be
- > implemented and what features will be available to meet future needs.
- >
- >